



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 8/9/2000

GAIN Report #JA0080

Japan

Solid Wood Products

Japan's Prefabricated Housing Construction

Industry: A Review

2000

Approved by:

Casey E. Bean

U.S. Embassy

Prepared by:

Masaoki Nagahama

Report Highlights:

Construction of prefabricated houses in Japan, representing about 20% of all houses and condominiums built, grew modestly during JFY1999. Wood-farmed housing grew 2% and steel-framed housing grew 3%, while concrete-framed houses suffered a significant setback. Prefab houses' share of total housing starts has not significantly changed the last 10 years.

Includes PSD changes: No

Includes Trade Matrix: No

Unscheduled Report

Tokyo [JA1], JA

Executive Summary

Construction of houses by the Japan Prefabricated Construction Suppliers & Manufacturers Association, a 110 member industry group of housing manufacturers, totaled 227,863 units, an increased of 1.1% in Japanese fiscal year 1999 (April 1999 - March 2000), but the first upturn in 3 years. The industry has highly-integrated and automated production equipment and facilities to manufacture home-building components and offers home buyers both generic floor plans and custom-order capabilities.

The steel framing sector, dominating the prefab market with a 73 % share, grew about 3%; the wood framing sector, with a 18% market share, grew 2%; and the reinforced concrete framing sector, with a 9 % market share, fell 12%.

The industry's sales by structural framing material and height of construction in each sector is shown in the table below.

Prefabricated Housing Sales in Japan - JFY1999 (Apr.'99-Mar.'00) 1/			
Framing Material	Height of Building	Units Sold	% Change (99/98)
Steel Framing	Total	165,374	+2.7 %
	Low-Rise 2/	148,068	+3.3 %
	Mid-Rise 3/	17,306	-2.0 %
Wood Framing	Total	40,984	+2.4 %
	Low- Rise	38,982	+2.5 %
	Mid-Rise	2,002	+1.3 %
Concrete Framing	Total	21,505	-11.6 %
	Low-Rise	4,019	+12.9 %
	Mid-to-High Rise	17,486	-15.8 %
All Materials	Total	227,863	+1.1 %
	Low-Rise	191,069	+3.3 %
	Mid-to-High Rise 4/	36,794	-8.9 %

(Source: Japan Prefabricated Construction Suppliers & Manufacturers Association)

Notes: 1/ Based on a survey of 214 member companies, completed May 2000.

2/ Single-detached and 2-story construction.

3/ 3-story to 5-story construction.

4/ 3-story construction and higher.

The following are market highlights of the prefab construction industry.

- Of the total sales of 227,863 units, single-detached residential construction accounted for

117,942 or 52% and multi-family construction for 109,921 or 48% of the total market. In JFY1999, single-detached construction grew 5% in the first upturn in 3 years, while multi-family construction declined 3% from previous year.

- Within the single-detached house construction market totaling 117,942 units, 90% of the market was dominated by low-rise units (i.e., 1 and 2-story construction), and 10% by mid-rise units, mostly 3-story construction. In JFY1999, low-rise unit sales grew 6% and mid-rise construction 3% from previous year.
- Within the multi-family construction market totaling 109,921 units, 77% of the total was low-rise construction and mid-to-high-rise construction (3-5-story units or higher) accounted for 22%. In JFY1999, mid-to-high-rise construction suffered a 14% setback from the previous year, while low-rise construction grew modestly (up 0.5%).
- About 72% of prefab construction industry sales came from 3 major urban markets of Japan with constant population clusters, namely, the Kanto region (greater Tokyo-Yokohama), the Chubu region (greater Nagoya) and the Kinki region (Osaka, Hyogo and Nara prefectures). Sales in these markets, however, declined 0.8% from previous year, impacted by the protracted economic recession accompanied by a decline in consumer spending.
- The market share of the prefab construction industry out of Japan's total housing starts in JFY1999 (i.e., 1,226,207) was 18.6%. This share was down from the all-time-high peak of 21.5% in JFY1991 and down 0.9% from 19.1% in the previous year.

The industry's housing sales by type of construction during recent years is shown in the following table.

Prefabricated Construction Industry's Sales by Type of Construction (Units)					
Japan Fiscal Yr.Ö	1995	1996	1997	1998	1999
Single-detached	146,598	159,532	134,194	111,899	117,942
Low-rises	102,526	103,202	96,668	84,800	85,213
Mid-to-high rises	28,755	28,256	35,287	28,676	24,708
Total:	277,879	290,990	266,149	225,375	227,863
% change	-	+4.7 %	-8.5 %	-15.3 %	+1.1 %

(Source: Japan Prefabricated Construction Suppliers & Manufacturers Association)